

A Journey Shared: The United States & China

A JOURNEY SHARED: THE UNITED STATES & CHINA 200 Years of History

ORIGINS TO THE END OF THE 19TH CENTURY

U.S. Merchants Look to China

PORCELAIN, TEA, AND SILK

For most of the 17th and 18th centuries, Chinese trade goods symbolized luxury for wealthy Europeans and their American counterparts. However, the arduous Pacific crossing was filled with danger, and trading in China seemed almost impossibly difficult because the Qing Empire had no desire to open its doors to foreigners. As one Emperor proclaimed, China “needed nothing from the outside world.”

By the latter half of the 18th century, the “China trade” was well-established and was an integral part of the British mercantile system.

American colonists could only obtain Chinese goods carried by the ships of the British East India Company and, in one notable incident, expressed their displeasure with British political control by dumping Chinese tea into Boston Harbor. After prevailing in their revolutionary struggle, these newly independent Americans found themselves cut off from British trade and Chinese trade goods. The preliminary peace treaty with England was signed in November 1782, and by March 1783, American merchants were already beginning to plan a U.S. trade mission to China.

THE EMPRESS OF CHINA

A new ship was built in 1783 in Boston, the *Empress of China*, and the mission was financed by several wealthy American merchants, including Robert Morris, who was known as the “Financier of the

Revolution.” The investors filled the ship with the one thing that the Chinese wanted—ginseng. In all, about 30 tons of ginseng from western Pennsylvania and Virginia made up the bulk of the trading cargo, along with \$18,000 in silver coin.

Major Samuel Shaw, former aide-de-camp to General Henry Knox, was chosen to take chief responsibility for the trading

mission as the “supercargo” or business manager, and John Green was chosen as captain. The owners were aware of the importance of the mission and wrote formal instructions to Captain Green:

“It is earnestly recommended to you as well on board as on Shore to cultivate the good will & friendship of all those with whom you may have dealing or Connections. You will probably be the first who shall display the American

Flag in those distant Regions, and a regard to your own personal honor will induce You to render it respectable by integrity and benevolence in all your Conduct and dealings; taking the proper precautions at the same time not to be yourself imposed on.”

Shaw and Green also carried a copy of the Declaration of Independence and copies of “several treaties made with different European powers,” presumably to prove that the United States really did exist. “You will show these things as occasion may require and avoiding all Insult to others you will consult your own Honor and that of the Country whose Commission you bear; if any are Offered to you.” The owners also provided a “sea letter” from the U.S. Congress—just in case the Chinese required such formality.



Clipper ships were the mainstays of the China trade during the 19th century (LOC)

After a journey of 18,000 miles, the *Empress of China* sailed up the Pearl River and into Guangzhou (Canton) on August 28, 1784, and the United States formally entered the China trade.

Upon their arrival, Shaw and Green found that foreigners were confined to a tiny, claustrophobic district within Guangzhou, where they were allowed to reside for only short times during the year. Most of the time, they lived in the Portuguese colony of Macao. As Samuel Shaw wrote in his diary, “Europeans, after a dozen years’ residence, have not seen more than what the first month presented to view.” Contact was restricted to a small group of Chinese firms,



An early 20th century warehouse in Hankow (LOC)

or *hong*, which were responsible for the housing and behavior of the foreigners with whom they traded. Each hong merchant received a special, temporary imperial

license to interact with foreigners and reported to the Chief of Customs. The Americans became the clients of Puankehequa, one of the ablest of the hong merchants.

Samuel Shaw was impressed with the little he was able to see of China and wrote: “All we know with certainty respecting the empire of China is, that it has long existed—a striking evidence of the wisdom of its government, and still continues the admiration of the world.” Shaw also admired his hong partners, describing them as “intelligent, exact accountants, punctual to their engagements.”

The trading mission was a success, and on December 28, 1784, the *Empress of China* set sail for *Hwa-Ke* (“Flowery Flag”), the name the Chinese had given to the United States. The Chinese lit firecrackers to “awaken the gods to the vessel’s departure” and give them good sailing. The ship arrived back in New York on May 11, 1785, filled with tea, silks, “fine tea table china in sets,” and gunpowder.

The Government of the United States was pleased by the success of the voyage. Secretary of Foreign Affairs John Jay wrote of the “peculiar satisfaction” of the Congress upon the establishment of direct trade. Samuel Shaw was “honored by Congress with their commission of Consul at Canton,” and became the first American diplomatic representative to China, returning to China in 1786.

While the first voyage of the *Empress of China* returned a 25 percent profit, later merchants always wrestled with the difficulty of trade goods for China. The Chinese wanted silver, which was the basis of their monetary system, but U.S. merchants had only limited supplies of the precious metal. They found a market for the animal skins and ginseng root from the Northwest Territories and Appalachia, but the value of these did not equal that of the demand for tea and other Chinese goods in the United States.

Although U.S. merchants played only a small role in China’s foreign trade, some American traders did acquire substantial wealth. After only 5 or 10 years in the Far East, they generally returned with well over \$100,000, more than enough to retire in comfort. U.S. companies were generally family-run affairs, led by men such as John Cushing, brothers John Murray and Robert Bennet Forbes, and Warren Delano, Jr., the grandfather of future President Franklin Delano Roosevelt.

China traders played a key role in expanding American awareness of China through their collections of art and artifacts. For example, during his 12 years in China—and with the help of his Chinese counterparts—Philadelphia merchant Nathan Dunn assembled a collection of 1,200 items, ranging from paintings, ceramics, and bronzes, to furniture, botanical specimens, and items for daily use. After he returned to his native city, in 1839 he displayed the collection in a “Chinese Museum.” Dunn intended to give visitors a window on Chinese life by dividing the exhibit hall into rooms and cases that displayed objects in replicas of their original settings, complete with statues of Chinese people. More than 100,000 people passed through the exhibit before it closed in 1841 and was moved to London. Exhibits such as Dunn’s sparked an interest in collecting—and even studying—Chinese art, which later flourished at the turn of the century.

Some of the China traders developed close ties with the hong merchants, who themselves were tremendously wealthy. For example, when one hong merchant, Howqua, wanted to invest some of his \$50 million fortune in the United States, he turned to the Forbes brothers. They managed his investments through their positions with a leading U.S. firm, Russell & Co., and paid dividends of \$40,000 a year to Howqua and his descendants for decades.

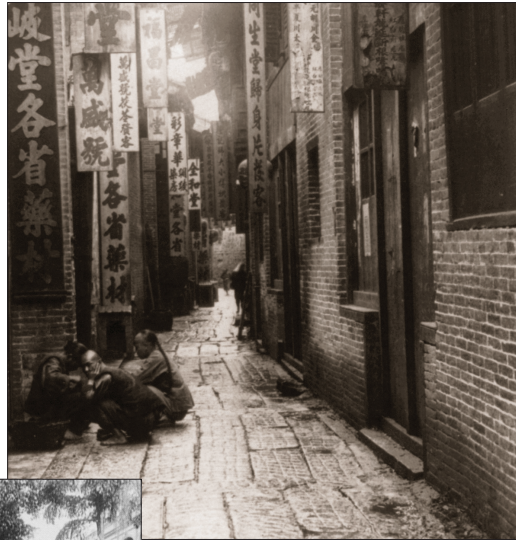


An American sailor of the early 19th century (LOC)

ILLICIT TRADE

The British smuggled Indian opium into China and used the silver earned from that trade for their legitimately traded goods. Most American traders joined the illicit opium trade after 1810, with the notable exception of Olyphant & Co., which abstained, due to the strict moral code of its partners, David W.C. Olyphant and Charles W. King.

While illegal activities greatly increased profits, opium smuggling provoked the first major conflict between China and Great Britain. In 1839, the Qing court objected to the impact of opium on Chinese society and sent Commissioner Lin Zexu to Guangzhou to eradicate the trade. Lin ordered the British merchants to surrender their opium stocks and then destroyed the seized drugs, sparking fighting between the two sides. American merchants avoided the conflict and were able to profit during the early stages, by serving as go-betweens for British firms forced to leave Guangzhou for Macao.



*Above: a 19th century street in Canton;
left: the U.S. headquarters on Shamian
Island on the Pearl River (LOC)*

LATER TRADE RELATIONS

It was not until the 1840s that the Treaties of Nanjing and Wangxia replaced the Canton system with the treaty port system, dramatically expanding trading relations. The agreements authorized the opening of four new treaty ports—Fuzhou, Xiamen (Amoy), Ningbo, and Shanghai—and provided for equal access to trade for all nations. Foreigners were now subject only to the laws that their own consular officials would enforce. Subsequent

agreements added more cities to the list of open ports, some of them on China's inland rivers.

During the second half of the 19th century, Shanghai became the center of trade activity. Foreigners held rights of ownership and jurisdiction in Shanghai's large concessions, which the Qing

Government initially supported on the grounds that they would keep the foreigners contained. More importantly, Chinese subjects constituted the vast majority of the population in the foreign concessions, and provided all of the labor and at least some of the capital. As a result, Shanghai reflected a fluid mixture of Western and Chinese influences and emerged as the most cosmopolitan city in China.

The Chinese developed complex opinions of the American citizens in their midst. On one hand, the low profile of American merchants, coupled with some cooperative business ventures with Chinese middlemen, contributed to a positive view of Americans. In one case during the 1860s, the American firm, Russell & Co., joined with several Chinese investors to purchase steamships

for inland trade on the Yangtze River and along the coast. For a time, this venture dominated the internal China trade. On the other hand, however, many Chinese developed a sense of resentment and humiliation at the poor treatment they received from some U.S. merchants who, to them, seemed barely civilized. Dismissive attitudes on both sides prevented negotiations that might have promoted better, more



"Hong" or trading warehouses on the Pearl River in Canton, now Guangzhou. Each warehouse is identified by its national flag (DOS)

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1. At the turn of the 18th century, one Qing Emperor proclaimed, China “needed nothing from the outside world.” Today, in the twenty-first century, how true would you say that this statement is? Defend or argue your position.
2. The British East India Company was a great asset to the British Empire. Investigate its origins and its trading routes. Analyze the impact it had for the colonies before the Revolutionary War.
3. A “sea letter” was provided from the U.S. Congress to Major Samuel Shaw on the first trading mission. Research the elements contained in a “sea letter.”
4. Investigate other nations trading with China at the time of 1784.
5. Read the accounts of Major Samuel Shaw’s journal. Explain why the Chinese had difficulty in distinguishing the English from the Americans.
6. The technology associated with shipbuilding at this time was on the rise. Research the changing shipbuilding technology with regard to the Clipper ship.
7. Tea was the drink of the Americans and the British at this time. How much tea was exported by ships trading in Canton at this time? Where in China is it grown?
8. Tea has its own science. Research the different kinds of tea brought back to the United States. Compare the kinds of tea brought back to the United States. Have a tea tasting within your class. Have several kinds for others to sample. Is there a favorite amongst the selections served?
9. Research the Lipton Tea Company and the Twinings Tea Company. Compare and contrast beginnings, tea costs, and customers. Take a poll of your class to see how many students are tea drinkers. Take a poll of the teachers in your school. Post results in the school newspaper. ■